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FM AMEMBASSY FREETOWN
TO RUEHC/SECSTATE WASHDC 1688
INFO RUEHZK/ECOWAS COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 03 FREETOWN 000049

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E.O. 12958: DECL: 02/07/2018

TAGS: ECON EFIN PGOV PINR PREL SL

SUBJECT: AMBASSADOR MEETINGS REVEAL INTERNATIONAL COMMUNITY'S CONSISTENT VIEWS ON ISSUES FACING SIERRA LEONE

REF: FREETOWN 44

Classified By: Ambassador June Carter Perry for reasons 1.4(b) and (d)

¶1. (C) SUMMARY: A number of themes are emerging from the Ambassador's recent meetings with members of the International Community concerning economic and political conditions in Sierra Leone. Specific common concerns were raised by the Guinean and Nigerian envoys as well as by the World Bank Representative. All centered on the extremely fragile economic base currently evident in food shortages and sharp price hikes. Observers agree that the new government of President Koroma has made all the right promises - to end corruption, to supply more energy and to tackle youth unemployment. These goals are also reflected in the Peace Building Commission Plan for Sierra Leone. Yet, they will prove a difficult nut to crack unless the country's six million people can first be able to feed themselves. We concur with our diplomatic colleagues' assessments and, like they, hope to do more through our governments and institutions to avoid corrosion of national support for a democratically-elected government. END SUMMARY.

MEETING WITH GUINEAN AMBASSADOR

¶2. (C) The Guinean Dean of the Diplomatic Corps, Lamin Sompore has been in Sierra Leone nearly eight years. A former security and police official in Conakry, Sompore has a long history with, and understanding of, the country. During our January 28 bilingual meeting (Sompore only speaks French) Sompore noted that the economy faces significant problems including high unemployment and the need to engage the younger population in meaningful work. He also perceives the rising inflation and costs of commodities as a problem, and noted that it will be more difficult for families to support themselves. Smuggling, in his view, is a known problem and one that is difficult to curb at present. Sompore agreed with Ambassador that there is a need for increased technical assistance in the economic sector, particularly in addressing unemployment and providing training for youths.

¶3. (C) Sompore supported the notion of good governance, and cited the peaceful election as a positive sign for the country. He stated, however, that the people are impatient for the new government to make good on promises made during the election period, and that the provision of electricity alone is insufficient to appease them. He also noted that the new President and his administration have limited government experience, and will need to surround themselves with knowledgeable advisors. He identified the President's private sector background, but did not comment on how this business acumen could be of potential benefit to the development of the country. Sompore provided little insight into the idea of harnessing the Mano River Union for effecting change, but did state that "we are all one people."

¶4. (C) Besides holding a variety of civil service posts in

Guinea, Sompore was also a judge and the head of the law enforcement training academy. While the purpose of this particular meeting was not to discuss security, he might be a useful contact in the future regarding border security issues and the potential for cross-border law enforcement cooperation.

MEETING WITH NIGERIAN CHARGE d'AFFAIRES

¶ 15. (C) Echoing the comments of his Guinean colleague, Dan Wari Nwazim, Nigerian Charge d'Affaires (CDA), has a dim view of the economic climate in Sierra Leone. He noted that Sierra Leone is highly reliant on imports, and that fluctuating global market prices have a deleterious impact on local prices. Thus, the rising costs of various commodities hit the economy of Sierra Leone particularly hard (see reftel). The CDA raised an interesting point about rice, an important staple whose price is currently on the rise. He stated that while Sierra Leone produces rice, it is more expensive than imported rice. Consumers have grown accustomed to the cost and quality of imports, and are less inclined to support the local rice market. Nwazim discussed unemployment, and the issue of human capital in the country. He agreed with the assessment that there is a general lack of depth with regards to the labor market. This lack of depth, noted Ambassador, is reflected in the limitations of the civil service.

Ambassador and CDA discussed the need to support initiatives that will enhance the civil service, to ensure that regular government activities can be maintained regardless of elections and other potentially distracting events.

¶ 16. (C) Nwazim reiterated the perception that the people of Sierra Leone are impatient for change, and are putting

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significant pressure on the new government to quickly address the various challenges facing the country. He noted that the president inherited many issues from the past, and is only now realizing that he cannot necessarily govern as he envisioned, or as his campaign promises suggested. He stated that the president should make clear to the people that it will take several years before they will see a significant improvement in their livelihoods.

MEETING WITH WORLD BANK REPRESENTATIVE

¶ 17. (C) Engilbert Gudmundsson's view of the Sierra Leone economy is negative, and he expects continued poor performance in 2008. He cited inflation and rising commodity prices, as well as poor infrastructure for revenue generation and collection as key problems. He also cited unemployment and limited human capital as significant problems facing the country.

- The World Bank is providing approximately \$40 million to support new initiatives. Roughly 10% of their funding in Sierra Leone is direct budgetary support, and funds are also directed to such sectors as water, agriculture, financial reform, health, and education (Note: Gudmundsson will provide written information regarding the exact figures in the near future. End Note.). He indicated that they have two new, large-scale projects set to commence in the areas of agriculture and maternal/child health. He shared Ambassador's concern that Sierra Leone is at the bottom of the Human Development Index, as well as having the highest infant mortality rates. Interestingly, he noted the cultural practice of feeding newborns water within minutes of their birth, and used this example to show the importance of changing certain, harmful cultural behaviors.

- Reflecting his agreement with the views of the international community, Gudmundsson expressed concern over the underutilization of the ports. He noted that the duties levied on goods brought to the port were prohibitively expensive, and that Conakry is becoming the port of choice

for the sub-region (Note: He stated that importers using the Conakry port pay only one fee, based on the number of containers rather than the value of the containers' contents.

This increases its attractiveness to importers substantially. End Note.). This represents a loss of revenue for Sierra Leone, as goods that come to the country via Conakry are often smuggled. Besides goods for the local market, he stated that Sierra Leone's ports could serve land-locked countries, if the duties were decreased and the port enhanced its professionalism.

¶8. (C) While Gudmundsson discussed diamonds briefly, he views the fishing industry as the true source of potential wealth for the country. Ambassador noted that a large amount of seafood is fished and sold by pirates, and thus has no benefit for the Sierra Leonean people. He agreed with this assessment, and noted that other countries have harnessed their oceanic wealth for considerable financial gain. He feels that effective engagement in this sector would vastly increase the government's revenue.

- Gudmundsson noted that a generation of children experienced interruptions in their schooling as a result of the war, and that they lack informal schooling or vocational training to now be productive members of the economy. He also shared his view that this generation does not demonstrate an interest or desire to join the economy in a meaningful and productive way. The World Bank does contribute to a Youth Employment Strategies program, but he did not provide an assessment of that program's efficacy. Despite this discussion on the lack of educational opportunities for those whose schooling was interrupted by the war, he did applaud the government for provided substantial funding to the educational system. He stated that the government spends approximately 20% of its budget on education.

¶9. (C) While Gudmundsson has an unfavorable impression of the Ministry of Agriculture, he stated that he has faith in the Ministry of Finance, which has a number of highly trained and capable staff. He did identify a problem, however, in that some of the employees are funded by the Bank. While supporting the employment of skilled consultants is seen as necessary, it creates tension between Bank-supported staff and other civil servants. He further indicated that the Government of Sierra Leone is showing more and more ambivalence towards foreign consultants (Note: The Minister of Finance's recent presentation of the budget to Parliament included a statement that the law requiring foreign consultants to pay taxes in Sierra Leone will now be enforced. End Note.). The government's preference is to have funds transferred to their ministries to conduct the activities. Gudmundsson stated that acquiescing to this

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preference is not feasible, and that this is a regular topic of discussion at donor meetings.

- Ambassador noted that regular donor meetings would be invaluable in Sierra Leone, and Gudmundsson agreed. He stated that several large contributors, such as the European Commission and DFID, meet on a regular basis, but that he sees a need to expand that group to include other representatives. Such meetings were held previously, and the time is ripe for their revival.

¶10. (C) Gudmundsson strongly supported the idea of Sierra Leone eventually accessing financial support from the Millennium Challenge Corporation. He and Ambassador agreed, however, that failing to meet critical milestones related to investing in people and good governance is problematic, and could negatively impact the country's chances of receiving this kind of grant. On an anecdotal note, Mr. Gudmundsson agreed with Ambassador Perry's assessment that the conditions of the roads have deteriorated in recent months. He expressed concern about the Ministry's failure to improve road conditions in and around Freetown in advance of the

rainy season.

¶11. (C) COMMENT: Visits to colleagues in the diplomatic corps reveal consensus on the key issues currently facing Sierra Leone, with the most pressing being the economy. Besides the sentiments expressed by the Guinean Ambassador, Nigerian CDA, and World Bank Representative, a recent roundtable of members of the international community made clear that representatives from the UN and other missions share these views. All agree that the challenge for President Koroma's administration will be to address longstanding and entrenched problems like corruption, erratic price fluctuation, and unemployment in a timely and action-oriented way that will provide both short-term and long-term gains. Otherwise, Koroma will face significant pressure and outcry from a public desperate and impatient for change. END COMMENT.

PERRY